

EXHIBIT A

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By Mr. Hoffman
By Mr. Chaiken

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WITNESSES:PAGEFor the Plaintiff:

DAVID HASSELWANDER

Direct Examination By Mr. Bookhout

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MORNING SESSION, JULY 21, 2017

(The following transcript is an excerpt of the OPENING STATEMENTS, and testimony of DAVID HASSELWANDER, as per the request of ordering counsel.)

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OPENING STATEMENT

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MR. HOFFMAN: Thank you. May it please the Court. Your Honor, here's where everybody is at 10 a.m. today. There was a \$26-million construction loan by Chase on this project. It's a short-term loan. It was supposed to be paid off before or by May of this year. It was not paid off. It went into default. It threatens foreclosure. It threatens to take this property, this -- of this single-purpose entity away from this partnership and lose everything that that partnership -- lose the entire purpose of this partnership's existence.

Now the Court might be wondering under normal commercial -- normal commercial situations, why hasn't there been a permanent loan to take out the construction loan? That would be what we would all expect. And that gets us to the basics of this matter that's before the Court.

The general contractor, Weis Builders, filed a

1 And there's no dispute -- you will not see a
2 Certificate of Substantial Completion signed by the builder.
3 Those are beyond dispute.

4 So what are the defendants saying, you might
5 wonder? Well, these are ticky-tacky defaults under the
6 partnership agreement. These were circumstances beyond our
7 control. Don't count these. They're immaterial. They're
8 immaterial.

9 Your Honor, by definition, since they can't get a
10 permanent loan to avoid the default of the construction
11 loan, and because of these three defaults -- these three
12 breaches of the partnership agreement, they are by
13 definition material to the livelihood, the existence of this
14 partnership.

15 Your Honor, Weis Builders not only filed a lien,
16 but it filed a lawsuit to foreclose on its lien. As you
17 know, in Texas that's the way a mechanic's lien is
18 foreclosed on, so we already have one foreclosure proceeding
19 in the works in action.

20 Chase, because it wasn't -- it was a \$26-million
21 loan was defaulted on, Chase has sent a Notice of Default.
22 Chase has sent off partnership funds of nearly a million
23 dollars. Chase has said we're going to continue pursuing
24 our rights and remedies. And as the Court is well aware,
25 banks are regulated. They are highly regulated. It's a

1 highly regulated industry.

2 There is no way that a regulator is going to allow
3 Chase to carry a \$26-million loan -- a bad loan, defaulted
4 loan on its book when there is a \$50-million apartment
5 complex sitting for the taking at a foreclosure sale.

6 I don't doubt that Chase wants to see what happens
7 at this hearing before it pursues foreclosure remedy. And,
8 in fact, Chase has a lawyer here today to watch and to
9 monitor this hearing.

10 But if -- if Chase isn't bought out quickly, if
11 Chase -- the Chase -- the default isn't resolved quickly,
12 the partnership is gone, the property is gone. And more
13 importantly -- well, as importantly is a better way to say
14 it -- this property is designated "affordable housing," the
15 next buyer, the next owner after foreclosure -- it, he,
16 she -- they don't have to designate it affordable housing.
17 This property is in danger of losing its affordable-housing
18 designation.

19 That's where we are 10 a.m. today. Here's where
20 we urge the court to be at 5 p.m. today: if the injunction
21 is granted and the first general partner, Travis -- yes,
22 first general partner, Travis Oak GP -- is enjoined from
23 interfering with our partnership right, our automatic right
24 under the partnership, for them to accept the removal and
25 let Columbia Housing act as the general partner, as the

C E R T I F I C A T E

I, Pamela J. Andasola, Certified Shorthand Reporter, Registered Merit Reporter, Federal Certified Realtime Reporter, in my capacity as Official Reporter do hereby certify that I was present and recorded the above proceedings in stenotype and reduced the same to typewritten form, that the foregoing 127 pages constitute a true and complete record of the proceedings, to the best of my ability, had and done on July 21, 2017, before the Honorable ROBERT PITMAN, Courtroom 4 of the United States District Court, Western District of Texas, Austin Division.

Dated this 31st day of August, 2017.

s/Pamela J. Andasola
PAMELA J. ANDASOLA, CSR/RMR/FCRR